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SUBJECT: CORRUPTION CHARGES STRAIN AUSTRIA'S VOLATILE COALITION

Summary

¶1. (SBU) Austria's volatile coalition of Social Democrats (SPO) and Conservatives (OVP) has plunged into another crisis of confidence following corruption charges by a fired top police official against senior aides of former OVP interior ministers. While the public prosecutor is looking into allegations of obfuscation and abuse of office inside the OVP-held Interior Ministry, the Social Democrats, joined by the three opposition parties, have called for a parliamentary investigating committee. The OVP announced it would consider SPO support for such a panel no less than a "declaration of war." This latest spat between the two reluctant partners has triggered renewed speculation about a coalition break up. For now, observers believe the two parties, both of which have scored poorly in recent voter approval polls, will hold out. However, the affair has paralyzed the coalition and confirmed public perceptions that its reform momentum has evaporated after little more than a year in power. End summary.

Top Cop Blows Whistle

¶2. (SBU) The controversy was triggered by Herwig Haidinger, the recently ousted director of Austria's Federal Crime Investigation Bureau (BKA), who last week accused senior officials in the OVP-held Interior Ministry of efforts to use the Bureau for political purposes. Specifically, Haidinger indicated that Natascha Kampusch, abducted in 1998 and held for over eight years, might have been released shortly after being kidnapped if police investigators had not ignored a tip in April 1998 from a local policeman that pointed to her kidnapper. He also alleged that Interior Ministry officials refused to look into the accusation once Kampusch reappeared, so as to avoid a scandal in the run-up to parliamentary elections that fall.

¶3. (SBU) In addition, Haidinger alleged that a former, senior Interior Ministry aide had pressed him to provide confidential information about an SPO-affiliated banking scandal to OVP parliamentarians in an effort to compromise the Social Democrats. Moreover, Haidinger alleged that top OVP ministry aides had ordered police investigators to collect discrediting information against a lawyer defending a prominent Kosovo-born asylum applicant against deportation. More lurid accusations by the ousted BKA chief focus on a top Interior Ministry aide who stands accused of using his Ministry credit card in a Vienna sex bar, harassing female secretaries in the Ministry, and asking police to cover up a drunk

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driving incident in which he was involved.

Reactions

¶4. (SBU) The allegations by Haidinger have infuriated the coalition partner SPO as well as the opposition Greens, FPO and BZO. The opposition parties called for the establishment of an ad-hoc investigating committee in parliament to look into the charges against OVP Ministry officials and assess political accountability. While the SPO initially took a wait-and-see position as it weighed

possible further damage to the (already soured) coalition chemistry, provincial SPO leaders have left no doubt they want to see such a panel. SPO votes would be required to secure the 91 votes needed to establish a parliamentary investigation.

¶5. (SBU) In reaction, the OVP has warned the Social Democrats that complicity with the opposition parties in establishing a parliamentary investigating panel would "formally constitute a breach of the coalition pact," or, as one OVP backbencher put it, be "a declaration of war." In a forward defense by the OVP, deputy OVP whip Guenter Stummvoll indicated February 12 that the OVP could likewise "reveal compromising material" about Interior Ministry shenanigans dating back to before 2000, when the Ministry was still led by the SPO. The opposition parties competed for outrage over the affair. The Greens called it "a scandal exclusively attributable to the OVP," the FPO spoke of a "pig sty in the Interior Ministry," while the BZG likened the Ministry actions to "Stasi methods."

¶6. (SBU) In view of intense public and political outrage, OVP Interior Minister Platter moved to set up a commission of experts from within and outside his ministry to look into the charges. At the same time, the public prosecutor has initiated investigations into the matter. Politically, the SPO will take Platter to task in a session of the Upper House February 14. Moreover, parties in parliament agreed February 13 to schedule an extraordinary session of parliament's Domestic Security Committee for late February to discuss the affair. Still, the SPO has left no doubt that, should answers expected from Platter and the OVP in general remain unsatisfactory, it would join the opposition parties in setting up the much disputed investigation committee. Chancellor Gusenbauer's willingness to postpone a decision has reportedly led to outrage in SPO provincial organizations, which had already been unhappy with the Chancellor's past concessions to the OVP.

Comment

¶7. (SBU) The SPO has various reasons for wanting to see its coalition partner embarrassed. First, the SPO, which held the Interior Ministry from 1945 until 2000, sees a chance to take revenge on the OVP for the massive ouster of top, SPO-leaning Ministry officials after the OVP assumed charge in 2000. Second, the accusations against the OVP serve as a welcome opportunity to make up for a series of OVP-inflicted political humiliations since the reluctant SPO-OVP coalition took office in 2007. Third, the Social Democrats may use this finger-pointing at the OVP to deflect attention from their own sagging popularity lately. This poor public image is attributed to some degree to the SPO's clumsy political salesmanship, but even more to Chancellor Gusenbauer's lack of leadership and charisma. With all eyes on the OVP, the SPO no doubt would like to regain some political respectability from this scandal at the expense of its junior coalition partner.

¶8. (SBU) The scandal has reinforced the perception of the GOA as a coalition of the unwilling. Nevertheless, political pundits believe that, for now, both parties would only stand to lose from early elections. The two parties' (and their leaders') poor public image, as well as the lack of attractive alternative coalition partners, may force the coalition to hang on for now.

Kilner